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7 **UNITED STATES DISTRICT COURT**
8 **WESTERN DISTRICT OF WASHINGTON**

9 Frank Richmond, Michael McDermott and
10 Kelley McDermott, each individually and
on behalf of all others similarly situated,

Case No.: 3:22-CV-05704-DGE

11 Plaintiffs,

12 vs.

13 Home Partners Holdings LLC, HP
14 Washington I LLC, HPA Borrower 2017-1
LLC, and OPVHHJV LLC, d/b/a
15 Pathlight Property Management,

FIRST AMENDED COMPLAINT
JURY TRIAL DEMANDED

16 Defendants.
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First Amended Complaint - 1

Hellmuth & Johnson, PLLC
8050 West 78th Street
Edina, MN 55439
(952) 941-4005

Milberg Coleman Bryson
Phillips Grossman, PLLC
1420 Fifth Ave, Suite 2200
Seattle, WA 98101

1 Frank Richmond, Michael McDermott and Kelley McDermott, each individually
 2 and on behalf of all others similarly situated, bring this action against Home Partners
 3 Holdings LLC (“Home Partners”), HP Washington I LLC, HPA Borrower 2017-1 LLC,
 4 and OPVHHJV LLC, d/b/a Pathlight Property Management (“Pathlight”), and allege as
 5 follows:

6 INTRODUCTION

7 1. Landlord-tenant law is predicated on the relationship it confers upon the
 8 parties to a rental agreement. If that agreement contains illegal provisions drafted by and
 9 favoring the landlord, and which cannot be negotiated by the tenants, it is unenforceable.

10 2. A pillar of that relationship is that landlords, not tenants, are responsible
 11 for ensuring they “keep the premises fit for human habitation[.]” Wash Rev. Code §
 12 59.18.60.

13 3. The law also provides for landlord remedies in the event the disrepair has
 14 been caused by a tenant’s conduct.

15 4. These mandatory landlord duties and the rights they confer on tenants
 16 originated in common law as the Covenants of Habitability, but are codified in
 17 Washington’s statutes.

18 5. Indeed, Washington law imposes duties upon landlords, and those duties
 19 are significantly more stringent than those of the common law.

20 6. Washington statutes enumerate a series of specific landlord duties,
 21 including maintaining the premises in compliance with any applicable code, statute,
 22 ordinance or regulation, and maintaining various structural components not only in
 23 habitable condition, but “in reasonably good repair so as to be usable[.]” Wash. Rev. Code
 24 § 59.18.060.

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 Phillips Grossman, PLLC
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 Seattle, WA 98101

1 7. Further, Washington law explicitly forbids parties from waiving many of
2 the protections the statute provides for tenants. Wash. Rev. Code § 59.18.230.

3 8. Nonetheless, under the guise of offering a potential home to own,
4 Defendants routinely enter into adhesive form leases that purport to waive and modify a
5 landlord's duties through several different lease provisions found in Defendants'
6 uniform adhesion contracts.

7 9. During and at the end of tenancies, Defendants pursue their tenants for
8 payment of pre-existing or other damage to Defendants' real and personal property,
9 which was not caused by the tenants at all. This conduct violates statutory landlord-
10 tenant and consumer protection laws.

11 10. In addition, Defendants require tenants to pay multiple fees that shift the
12 costs of lease administration, property insurance, and utility service to tenants, in
13 violation of Washington law.

14 11. Defendants are some of the many corporate investors of residential real
15 estate who have swarmed into metropolitan area real estate markets, hoping to profit
16 from the growing demand for single-family homes.

17 12. Large private equity groups, hedge funds and other large investors spent a
18 combined \$36 billion on more than 200,000 homes between 2011 and 2017.

19 13. In effect, these large entities are building a new corporate landlord-tenant
20 scheme across the country.

21 14. While large corporate entities have been involved in the housing market
22 since before the 2010 foreclosure crisis, their involvement only continues to grow. These
23 corporate landlords claim their buying efforts will stabilize the country's most
24 dilapidated housing markets, and further claim they will be even better landlords than

1 traditional, local landlords by using their capital to maintain the homes, and make home
2 rentals easy and affordable.

3 15. However, over time, these corporations have displaced individual home
4 buyers (or individual landlords and property owners) not only in housing markets
5 decimated by foreclosure, but also in healthy urban, suburban and exurban residential
6 real estate markets, leading to “higher prices throughout the market, greater competition
7 at the time of sale, and out-of-state landlords showing less care for properties and
8 renters.”

9 **PARTIES**

10 16. Frank Richmond ("Richmond") is an adult residing in Port Orchard,
11 Washington, and is a citizen of Washington.

12 17. Michael and Kelley McDermott ("the McDermotts") are adults residing in
13 Tacoma, Washington, and are citizens of Washington.

14 18. Defendant Home Partners Holdings LLC is incorporated in Delaware with
15 its principal place of business in Chicago, Illinois.

16 19. Richmond’s lease indicates he entered into an agreement with Defendant
17 HP Washington I LLC.

18 20. The McDermotts entered into a lease agreement with Defendant HPA
19 Borrower 2017-1 LLC.

20 21. Upon information and belief, Home Partners or one of its subsidiaries
21 operates and purchases homes through separately incorporated shell limited liability
22 companies (“LLCs”).

23 22. Home Partners (or one of its officers or employees) is a member of those
24 LLCs. Defendants HP Washington I LLC and HPA Borrower 2017-1 LLC are two of these

1 entities. Both are incorporated in the State of Delaware with their principal place of
2 business in Chicago, Illinois.

3 23. Upon information and belief, Defendants conduct business through
4 multiple, separately incorporated shell LLCs incorporated in Delaware and registered in
5 various states where the homes are located.

6 24. HP Washington I LLC, HPA Borrower 2017-1 LLC and these other LLCs
7 were, at all relevant times, the agent, servant, employee, alter-ego or joint venture of
8 Defendant Home Partners, and acted within the course and scope of such agency,
9 employment, alter-ego and/or in furtherance of the joint venture, and with the
10 permission and consent of each of the other Defendants.

11 25. Defendant OPVHHJV LLC, d/b/a Pathlight Property Management is a
12 subsidiary, agent, and alter ego of Home Partners of America.

13 26. Pathlight is incorporated in Texas with its principal place of business in
14 Texas.

15 JURISDICTION AND VENUE

16 27. This Court has original subject matter jurisdiction over this controversy
17 pursuant to the Class Action Fairness Act ("CAFA"), 28 U.S.C. § 1332(d), because
18 Plaintiffs and members of the proposed Class are citizens of states different than
19 Defendants' home states, and the aggregate amount in controversy exceeds \$5 million,
20 exclusive of interests and costs.

21 28. This Court has personal jurisdiction over Defendants because they have
22 conducted substantial business in this District and intentionally and purposefully
23 market, promote, and place their homes into the stream of commerce throughout the
24 United States.

29. Venue is proper in this District pursuant to 28 U.S.C. § 1391 because a substantial part of the events or omissions giving rise to Plaintiffs' claims occurred in this District. Defendants marketed, advertised, leased and sold the affected homes, as well as conducted extensive business, within this District.

FACTUAL ALLEGATIONS

I. Defendants' lease to purchase scheme

30. Defendants collectively own, lease, and manage approximately 17,000 homes in 70 markets located in 32 states.

31. Cementing their alter ego relationship, Pathlight states on its website that both Pathlight and Home Partners "are proud to offer" lease programs to prospective tenants.

32. Home Partners is now a subsidiary of Blackstone Inc., a New York City-based investment firm.

33. In a \$6-billion dollar deal, Blackstone purchased Home Partners through an investment fund called Blackstone Real Estate Income Trust.

34. Blackstone is one of many large firms to capitalize off of the 2010 foreclosure crisis precipitated by the Great Recession.

35. As thousands of families lost their homes, the federal government launched a pilot program that allowed Blackstone and other private investors, some of whom facilitated the financial crisis in the first place, to purchase swaths of foreclosed homes from Fannie Mae.

36. Against this background, Home Partners and Pathlight entered the residential real estate market in 2012 as a real estate investment and property management group, claiming that by purchasing homes on behalf of residents in markets

1 nationwide, they would help thousands of home-seekers live in a home they otherwise
2 were not yet ready to purchase, under terms that best fit their needs.

3 37. Defendants state they rent single-family homes to persons in three primary
4 demographics: (1) recent transferees to an unfamiliar or new city or suburb; (2) persons
5 desiring to live in a single-family home, but who lack the creditworthiness to obtain a
6 mortgage; and (3) persons who want to rent a single-family home but who are
7 "uncertain" about home ownership.

8 38. Defendants peddle to these demographics through targeted marketing to
9 real estate agents, and through online and print advertisements that advertise the
10 availability of homes.

11 39. Defendants market themselves as a joint entity: Pathlight's website
12 (<https://www.pathlightmgt.com/>)¹ contains a Home Partners' logo and reference²,
13 demonstrating their interlocking relationship.

14 40. Specifically, Pathlight's website makes numerous references to Home
15 Partner's lease and refers to homepartners.com for terms and conditions.

16 41. In addition, Pathlight's website also states, in relevant part, "Home Partners
17 of America is committed to making homeownership a reality for more people by
18 providing a clear path to homeownership. Our process is easy, transparent, and built on
19 a foundation of choice and flexibility. Home Partners is helping people get into great
20
21

22 ¹ Last visited on August 6, 2022.

23 ² Compare with the logo at Home Partners' website: <https://www.homepartners.com/>.
24 Last visited on August 6, 2022.

1 homes, in neighborhoods they love, with the opportunity to build a more secure financial
2 future."

3 42. Home Partners' website states, "[f]rom the beginning, Home Partners and
4 Pathlight communicate with residents throughout the entire process. Once the house has
5 closed and the Make-Ready renovations have been completed, Pathlight will send a
6 Welcome Email to residents that outlines the move-in process and answers questions that
7 may arise during the lease term."

8 43. Defendants market extensively through their own websites as well as local
9 real estate agencies.

10 44. Once a prospective tenant expresses interest in a particular property,
11 Defendants together claim they expend significant effort and resources to purchase a
12 particular home on the prospective tenant's behalf.

13 45. Though Defendants claim in their form documentation that they are
14 purchasing properties specifically selected by a prospective tenant prior to rental, Home
15 Partners (either wholly or through its alter ego LLCs) likely already owns the home.

16 46. Indeed, a recent search of Pathlight's property listing of available homes
17 yielded more than 60 available homes across the state of Washington.

18 47. To induce persons to go through Home Partners and the lease-to-purchase
19 program, Home Partners represents "[o]nce a home is identified and approved by Home
20 Partners, Home Partners will attempt to purchase the home – the outcome of which will
21 depend on certain conditions being met such as agreeing on a purchase price with the
22 seller, a satisfactory inspection, attorney review of the purchase contract, and other
23 closing conditions being satisfied." Thus, Home Partners represents the house is
24 "qualified" and has passed its inspection.

1 48. Pathlight further represents, for every home available for lease, that the
 2 home is “[p]rofessionally managed by Pathlight Property Management, the exclusive
 3 property manager for Home Partners of America, offering excellent customer service,
 4 24/7 emergency maintenance service, online application and payments, and pet-friendly
 5 options.”

6 49. For each house, Defendants set a monthly base rent for each year in which
 7 a tenant occupies a house.

8 50. Base rent increases by up to 3.75% year over year, which is above average
 9 for many metropolitan areas where Defendants rent homes.

10 51. Defendants also establish an “Estimated Acquisition Cost” (also defined in
 11 Defendants’ form documents as the “Purchase Price”) if the tenant chooses to exercise
 12 the “right” to purchase during or at the end of the lease. Incorporated into the Estimated
 13 Acquisition Cost are “make ready” costs allegedly expended by Defendants prior to
 14 move-in and during the tenancy.

15 52. Defendants state and admit they do not negotiate these amounts with
 16 tenants, and unilaterally set the house’s estimated purchase price above the actual
 17 amount expended to purchase the house, closing costs included.

18 53. Nonetheless, in contradiction of the foregoing statements, which are
 19 provided to the general public and tenants before they sign any lease, Home Partners
 20 later represents in its form adhesion leases that “the amount of Rent was negotiated with
 21 the express understanding that Tenant will be responsible for the maintenance needs of
 22 the Premises.”

1 54. Home Partners is not a lender. Consumers who wish to exercise the option
2 to purchase must secure a mortgage from a third party, just as with any traditional home
3 purchase.

4 55. Home Partners does not apply or credit any amount paid in rent or on
5 maintenance or repair during the lease term to reduce the purchase price or to be applied
6 as a down payment. In other words, consumers who rent through Defendants do not
7 build equity in the home.

8 56. Only 20% of the persons who enter the lease-to-purchase agreements with
9 Home Partners eventually purchase the home.

10 57. At bottom, and as further described herein, Defendants' lease-to-purchase
11 program is an elaborate ruse designed to induce and convince prospective customers that
12 they are renting a specially chosen, "qualified" i.e., quality home that is different than,
13 and an alternative to, a traditional rental—and then to convince consumers to agree to
14 take on substantial homecare burdens foisted on tenants by Defendants' adhesive form
15 leases.

16 58. Despite their effort to establish an extra-legal relationship with their tenants
17 through these elaborate contracts of adhesion, Defendants cannot write their way out of
18 their statutory legal obligations to their tenants.

19 **II. Defendants' form contracts shift the burden of maintenance and repair**
20 **onto tenants**

21 59. Since at least 2016, Defendant Home Partners has included provisions in its
22 carefully crafted form leases that illegally purport to shift its maintenance obligations
23 onto tenants, including for situations where the damage is not caused by the tenant's
24 conduct:

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1 a. "Tenant shall, at Tenant's expense, maintain the Premises (including all
2 appliances, systems and fixtures located thereon...)...and keep same in a clean, safe and
3 healthy condition and in good working order." (emphasis in original)

4 b. "Tenant agrees to pay for (a) all repairs, maintenance or replacement
5 required to the Premises, including the walls, windows, storms (sic) doors/ windows and
6 screens, ceilings, paint, plastering, plumbing work, pipes, and fixtures belonging to the
7 Premises, whenever damage or injury to the same shall have resulted from misuse, waste
8 or neglect by the Tenant..." (emphasis in original)

9 60. Defendants further disclaim in form leases any obligation to comply with
10 the Covenants of Habitability, stating "Tenant hereby represents, warrants and
11 acknowledges that it is leasing the Premises in its 'AS-IS, WHERE-IS, WITH ALL
12 FAULTS' condition, fitness for any particular purposes, merchantability, habitability or
13 any other warranty of any kind, nature, or type whatsoever[.]"

14 61. These lease provisions are designed to obscure, mislead and misrepresent
15 Defendants' true legal obligations to renters.

16 62. As further evidence of an intent to mislead and misrepresent obligations to
17 renters and to shift the costs of repair onto tenants, Home Partners represents that as a
18 component of its lease-to-purchase program, the parties have a "mutual responsibility to
19 maintain the home," in contrast to the traditional landlord-tenant relationship, and that
20 this alleged "mutual responsibility" creates an advantage for the tenant over the
21 traditional landlord-tenant relationship.

22 63. Defendants fail to disclose, however, that nothing in their unwieldy,
23 lengthy "Residential Lease Agreement" can abridge a tenant's rights, nor does the lease
24 create anything other than a traditional landlord-tenant relationship.

1 64. Defendants' "as-is" and burden-shifting repair provisions mislead
2 consumers about their guaranteed rights and remedies under applicable state law by
3 misrepresenting to consumers that they, not Defendants, are required to keep
4 Defendants' properties in reasonable repair. Thus, in addition to misrepresenting tenants'
5 rights, Defendants' leases are agreements with tenants that purport to waive or modify
6 the landlord's duties in direct violation of the law.

7 65. Defendants' burden-shifting maintenance and repair provisions not only
8 contravene the common law covenants of habitability and state statutes, but also
9 deceptively and misleadingly suggest to tenants that their signatures on the lease
10 constitute a waiver of their right to habitable housing.

11 66. These unlawful provisions have and continue to have the effect of
12 fraudulently stripping consumers of their legal rights and burdening them with repair
13 efforts and expenses that the law explicitly requires Defendants to bear.

14 67. Defendants obtain an independent inspection and property appraisal,
15 allegedly for the benefit of the tenant, yet none of the Defendants provide tenants with
16 the inspection report or the appraisal.

17 68. When tenants request a copy of the inspection report, Defendants refuse to
18 produce it.

19 69. Instead, these provisions are given to Defendants and undertaken on
20 Defendants' behalf prior to Home Partners' purchase of the home.

21 70. As owners and property managers of the home, they are in the best position
22 to obtain and provide that information.

23 71. Thus, no Defendant discloses the existence of any pre-existing damage to
24 the home of which they may have already been aware.

1 72. Pathlight further represents that due to the fact that the property being
2 purchased will be a rental, county or municipal inspections may occur only after Home
3 Partners closes on a home, allowing Defendants to rent the home under local licensing
4 requirements.

5 73. Therefore, not only may a property be unavailable for rent upon closing,
6 but it may not be available until it passes the mandatory inspection.

7 74. Pathlight does not disclose the results of these inspections.

8 75. Despite the lengthy and specific list of duties Washington statutes confer
9 on every landlord, during the tenancy, and as described herein, Pathlight often refuses to
10 make even basic repairs, undertake repairs required by the form lease and statute, and
11 suppresses tenants' ability to report their repair concerns and to have repairs completed.

12 76. This is due in part to the fact that instead of employing a local agent or
13 property manager who personally responds to a tenant's maintenance request, that
14 request is directed to an out-of-town call center or a website that purports to be managed
15 by Pathlight, which then assigns a maintenance worker who requires the tenant be on-
16 site to make the repair – that is, if Pathlight agrees to the repair in the first place.

17 77. Pathlight requires tenants to use an online "Resident Portal" for all
18 communications, including repair requests.

19 78. Pathlight claims to respond to tenants within 24 hours, yet they rarely reply.

20 79. If they do actually reply, the reply is often sent well beyond the 24-hour
21 timeline Pathlight promises.

22 80. Because Pathlight frustrates tenants' attempts to successfully make
23 maintenance requests, the result is a system whereby tenants, not Defendants, are forced
24

1 to pay for repairs and maintenance that they are not required to make under the lease or
2 applicable state law.

3 81. In addition to paying out of pocket for repairs to Defendants' properties as
4 they arise, or from their security deposits at the end of tenancy, tenants also use their own
5 scarce funds every month to comply with Defendants' so-called "Minimum Required
6 Insurance," which is listed as a clause within the lease and also as an addendum to the
7 lease. Tenants are required to procure their own insurance in the amount of \$300,000 for
8 "damage to our property during your lease term," otherwise, Defendants automatically
9 enroll tenants into their "Master Resident Liability Program" in the amount of \$100,000,
10 which solely covers Defendants' property.

11 82. Pathlight force places tenants in this "Master Resident Liability Program"
12 for \$13 per month if tenants do not procure their own renters' insurance with the
13 understanding that "such policy will be purchased by the Landlord for its own benefit."
14 Pathlight discourages tenants from procuring outside insurance, stating that "using an
15 outside provider may cost \$20 per month or more."

16 83. If tenants procure their own insurance, tenants are required to name
17 Pathlight as an "additional interested party" on the general liability portion of the policy.

18 84. Defendants additionally do not disclose that they intend for tenants (or
19 their independently-procured insurance coverage) to pay for and cover pre-existing,
20 accidental, or normal wear and tear damage to Defendants' buildings and real property,
21 not caused by tenants, which are not covered by the typical renters' insurance policy.

22 85. In other words, Defendants deliberately foist the burden of insuring their
23 own real property onto tenants.
24

86. Defendants also require tenants to pay various fees associated with lease administration and management, including a “Utility Billing Service Fee” (UBSF). The UBSF is a “pay-to-pay” fee for utilities and services that must be kept in the Landlord and property owners’ name and must be paid by them. Tenants do not have the option to opt out of the UBSF.

87. Defendants employ a third party, Conservice, to manage those utilities and services kept in Defendants’ names, such as water, trash and sewer. Conservice then bills the utilities to the tenants, by separate bill, and all amounts are reflected on tenants’ ledgers and tenants can remit payment to Defendants.

88. In Washington, Defendants’ UBSF is at least \$9.95 per month. This fee is non-negotiable.

89. Upon information and belief, Conservice, as Defendants’ agent and acting jointly with Defendants, uniformly, unfairly and deceptively charge more than the actual amount billed for utilities.

90. Defendants also require tenants to pay an “HVAC filter fee” pursuant to an Air Filter Addendum and “Utility & Maintenance Reduction Program” of \$15 per month. This amount is non-negotiable. Defendants contract with a third party, Second Nature, to deliver air filters to tenants every 60 days, and per the form lease and addenda, tenants are not permitted to opt out of this obligation and supply their own air filters purchased from other sources at considerably less expense. The lease further requires tenants to install the filters within two days after delivery, for the purpose of ensuring “that you have the best possible air quality in your home.” This cost is shifted even where Defendant agrees that “Furnace/HVAC cleaning and servicing” is the landlord’s responsibility under the lease agreement.

91. Defendants also require tenants to pay for Defendants' attorneys to review their ledgers for purposes of determining whether a tenant is allegedly in default of any lease obligation. Defendants charge the tenants for this attorney review, regardless of whether Defendants attempt to enforce any lease obligation through legal action. These legal fees violate Washington law, which prohibits rental agreements from shifting the landlord's attorney's fees to the tenant. Wash. Rev. Code § 59.18.230.

92. All of the above fees are non-negotiable and are deemed "additional rent" under the form lease. If any fee is unpaid by the time the "monthly base rent" is due – and even if a tenant has fully paid their base rent – Defendant has discretion to charge a late fee under the lease agreement, in the amount of \$20 or ten percent of the unpaid rent amount, whichever is greater.

93. The "monthly base rent" is defined in relation to the amount stated in the lease and which is to be paid in a calendar month to Pathlight, presumably for use of the premises, but is given no formal definition in the lease.

94. "Additional rent" means "any and all sums (exclusive of Monthly Base Rent and Pro-Rated Rent) that are required to be paid to Landlord...". Included in those amounts due and payable by the Tenant are any utilities, the force-placed "liability coverage," cancelled service call fees, Pathlight attorney's fees, late fees and the administrative utility fee.

95. The lease further provides that the monthly base rent and additional rent must be paid on or before five days from the date due, and that Landlord shall have the right to apply any funds received from or on behalf of Tenant "shall be applied to the oldest outstanding monetary obligation owed by Tenant to Landlord".

1 96. Together, these provisions mean tenants must pay all amounts billed,
2 including the “liability coverage,” UBSF, utilities (to the extent not paid separately), and
3 other miscellaneous fees in full by the time their next rent payment comes due.

4 97. If a late fee has been assessed in the prior month, and the tenant’s full
5 balance is not paid by the fifth of the next month, a late fee will continue to be assessed
6 on the remaining balance at a rate of ten percent—even if a tenant has fully paid all “base
7 rent.” In other words, Pathlight calculates the initial late fee based on the ten percent of
8 the unpaid monthly base rent. Because (1) it applies tenant payments to non-base rent
9 items first, irrespective of whether those items are actually rent (i.e., amounts charged for
10 use of the premises) and when they were incurred in the calendar month, and (2) then
11 rolls a late fee into “additional rent,” tenants are faced with cumulative late fees in
12 violation of Washington law. “A landlord must first apply any payment made by a tenant
13 toward rent before applying any payment toward late payments, damages, legal costs, or
14 other fees, including attorneys' fees.” Wash. Rev. Code § 59.18.283.

15 98. Even if Defendants did not enforce their illegal lease provisions, these
16 provisions are nonetheless deceptive because consumers who read them or are told of
17 them are likely to believe they are enforceable or that they have contractually waived
18 their legal rights not to be responsible for repairs to Defendants’ own property.

19 **III. Plaintiff Richmond’s experience**

20 99. Richmond and his family began renting a home through Defendants in Port
21 Orchard, Kitsap County, Washington in September 2021.

22 100. Richmond was looking to rent a home and rented through Defendants
23 because Defendants’ representations, as described above, led him to believe they would
24

1 provide a quality home that would not require substantial upkeep or maintenance, based
2 upon the assurance of quality and inspection provided by Defendants.

3 101. Richmond was not committed to purchasing the home through Defendants,
4 but considered it a possibility.

5 102. Defendants had already purchased multiple homes in the area, and there
6 were very few to choose from.

7 103. Richmond received Defendants' form, "Residential Lease Agreement,"
8 drafted by Home Partners' lawyers and consisting of 47 clauses and 21 pages of
9 approximately 8-point font, plus numerous attachments and addenda, and incorporated
10 a "Residential Right to Purchase Agreement."

11 104. The written form lease initially set a base rent of \$3,060 per month, plus a
12 monthly \$30 pet fee, for the first year of the tenancy, with yearly rent hikes of
13 approximately 3.6% year over year.

14 105. Richmond was not provided an opportunity to negotiate these amounts.

15 106. The lease term was for a period of one year, and was subject to an automatic
16 yearly renewal provision of up to four renewals, i.e., for a total of five years.

17 107. Upon move-in, the entire home was full of dirt and trash and had not been
18 cleaned.

19 108. Per Richmond's lease, Defendants are responsible for furnishing and
20 maintaining certain appliances upon commencement of the lease period, including a
21 refrigerator.

22 109. Defendants did not supply a refrigerator until one week and several phone
23 calls later.

1 110. Richmond documented various damage to the house, including, but not
2 limited to: chipped paint throughout the home; a broken fence; a back door that had been
3 screwed shut; bubbling sheetrock joint tape, dents, nails and screws in the walls and
4 ceiling; cracks in the garage floor; broken window screens; light fixtures hung improperly
5 and dangerously; and broken light switch plates.

6 111. Richmond requested through Defendants' rental paperwork that the
7 interior walls be re-painted.

8 112. Defendants sent a painting crew to the home, who informed him that paint
9 had worn off the home's exterior trim.

10 113. With Washington's wet weather, the painters told Richmond that the
11 exposed wood could soak up water and begin to rot.

12 114. The painters said they would acquire a work order through Pathlight to
13 repaint the exposed trim.

14 115. Pathlight did not approve of the repair, so the wood remains exposed to the
15 elements.

16 116. Defendants informed Richmond he must sign up for Defendants' renter's
17 insurance plan.

18 117. Richmond declined, informing them he already had his own liability
19 coverage through a different provider.

20 118. Despite presenting proof of his own liability insurance plan, Defendants
21 enrolled Richmond in their "Master Resident Liability Program" without his consent, and
22 have continued to bill him each month, effectively forcing him to pay for their insurance
23 despite the fact that he already had his own.
24

1 119. Despite his repeated requests, Defendants have not reimbursed for their
2 policy that he continues to pay.

3 120. Richmond has continued to pay the amounts due and owing under the
4 lease during his tenancy, and also maintained and provided evidence that he maintained
5 the allegedly required renter's insurance coverage.

6 121. While Richmond understood that he would be required to pay for some
7 utilities, he did not agree to pay for any pre-existing damage, nor was he provided any
8 reimbursement or consideration for undertaking any repairs.

9 122. Upon signing the rental agreement, Richmond was informed that because
10 the house was equipped with proper ducting, Pathlight would install a new air
11 conditioning unit prior to move-in.

12 123. During the three-week window between Defendants closing on the home
13 and the Richmonds moving in, the air conditioning unit was never installed.

14 124. Finally, two weeks after the Richmonds moved in, Pathlight sent an air
15 conditioning company to the home to provide an estimate.

16 125. The air conditioning unit was eventually installed one month later.

17 126. In late spring 2022, the carbon monoxide alarm in the garage began
18 sounding an alarm every day. Pathlight agreed to send a service technician, who
19 determined the exhaust system for the furnace and hot water heater was improperly
20 installed when the air conditioning unit was put in. The service technician remedied the
21 issue, but approximately three weeks later, the alarm began to sound again. The
22 Richmonds again notified Pathlight, but Pathlight refused to send a technician as the
23 carbon monoxide alarm is a "resident care item."
24

1 127. Defendants, stating they allegedly care about air quality in their homes,
2 force tenants, including Richmond, to pay for monthly air filter replacements for the air
3 conditioning unit.

4 128. Defendants' lease contains an "Air Filter Addendum" which requires
5 residents to enroll in their "Utility & Maintenance Reduction Program" and pay a
6 monthly \$15 fee for air filter replacements.

7 129. The "Air Filter Addendum" states "[t]here is not an opt-out option for this
8 program, as it is designed to ensure that the air quality in your home is safe, and your
9 system is functioning properly."

10 130. The new air filtration system requires the air filters to be replaced once per
11 year. Richmond was given an extra filter to serve as the first replacement filter.

12 131. Defendants first sent and billed Richmond for air filters. The air filters only
13 fit the old unit that had already been replaced.

14 132. The air filters he continued to receive and pay for do not fit the new unit.
15 Defendants reimbursed Richmond for some of the filters he received, however, they
16 continue to bill Richmond for the air filters, but no longer actually send any air filters to
17 his home.

18 133. In addition, Defendants required the Richmonds to pay the monthly
19 "Utility Billing Service Fee" along with the Monthly Base Rent for each month where
20 Landlord provides Tenant a bill for reimbursement for any Excluded Utility & Service
21 paid for by Landlord plus (b) the Utility One-Time Fee..."

22 134. Employees from All County Septic Service ("ACSS") informed Richmond
23 that the home's septic system is in violation of various codes, and that the septic system
24 had been in violation since before he began renting.

1 135. ACSS informed Richmond that Defendants had outstanding payments for
2 septic services rendered before the Richmonds moved in.

3 136. When the septic system alarm went off, Richmond called ACSS per the
4 information sticker on the alarm box.

5 137. ACSS informed him he needed to contact Pathlight to fix the issue. Pathlight
6 never responded to his requests and the Richmonds went more than two days without
7 water.

8 138. ACSS informed Richmond that because there was still a balance due on the
9 account, they weren't required to tend to the alarm.

10 139. However, because they were aware of Pathlight's reputation, and because
11 the Richmonds themselves did not cause the alarm to sound, ACSS agreed to provide
12 service despite never receiving a response from Pathlight.

13 140. Months after signing the lease, Defendants sent Richmond an agreement
14 via email denoting an increase in the purchase price of the home, as well as increased
15 monthly base rent for the remaining four years of the lease.

16 141. This agreement was to be signed and returned to Defendants. Defendants
17 have sent several email reminders requesting the Richmonds execute the agreement.

18 142. Richmond did not agree to these increased prices and did not sign the
19 agreement.

20 143. After vacating the premises, Defendants withheld portions of the
21 Richmonds' security deposit without lawful basis for items like "Liability Coverage",
22 "Service Fee", "Water Utility Recovery", "Utility Billing Service Fee" and a "Late Fee
23 Charge..
24

IV. Plaintiffs McDermotts' experience

144. Plaintiffs Michael and Kelley McDermott currently rent a home through Defendants in Tacoma, Washington.

145. The McDermotts began renting a home through Defendants because their representations, as described above, led them to believe they would provide a quality home that would not require substantial upkeep or maintenance, based on the assurance of quality and inspection provided by Defendants.

146. The McDermotts received Defendants' form, "Residential Lease Agreement," drafted by Home Partners' lawyers.

147. The lease consists of numerous pages of approximately 8-point font, plus numerous attachments and addenda, which incorporated a "Residential Right to Purchase Agreement."

148. The McDermotts have paid the amounts due and owing under the lease during their tenancy, and also maintained and provided evidence that they maintained the allegedly required insurance liability coverage.

149. While the McDermotts understood that they would be required to pay for some utilities, they did not agree to pay for any pre-existing damage, nor were they provided any reimbursement or consideration for undertaking any repairs.

150. Upon move-in, the entire property was covered in weeds and overgrown grass. Pathlight did not respond to the McDermotts' requests to address this issue.

151. The McDermotts paid out-of-pocket to eradicate the weeds.

152. Pathlight refused to fix the fence that had fallen in a storm, and stated they needed the McDermotts to provide their neighbor's information in order for their neighbor to pay for half of the fence.

1 153. They did not attempt to get this information themselves. Instead, Pathlight
2 required the McDermotts' to obtain this information.

3 154. The McDermotts ultimately paid out of pocket to repair the fence.

4 155. The McDermotts' dishwasher stopped functioning during their tenancy.
5 The McDermotts reported the malfunction as soon as the dishwasher stopped working.

6 156. Three months later, and after requesting Pathlight replace the unit multiple
7 times, Pathlight finally furnished a functioning dishwasher.

8 157. In October 2021, the McDermotts discovered black mold on the walls of
9 their dining room.

10 158. Pathlight sent a water remediation assessor to their home, who determined
11 the entire wall, as well as the dining room floor, would need to be torn out.

12 159. By removing the wall, their home became exposed to the outdoors and was
13 replaced with plywood over the winter, which caused the McDermotts' heat bill to
14 increase.

15 160. Pathlight sent multiple contractors to assess the black mold in the home.

16 161. Upon discovering the black mold had permeated nearly the entire home,
17 contractors tore off the entire front of the home.

18 162. Work was stalled for months over the course of the winter.

19 163. Since the McDermotts' initial call in October 2021, Pathlight had sent
20 multiple contractors to the home.

21 164. The McDermotts lived in a home constructed largely of plywood for nearly
22 an entire year.

23 165. The entire front of the home was covered in tarp from approximately
24 October 2021 to August 2022.

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Hellmuth & Johnson, PLLC
8050 West 78th Street
Edina, MN 55439
(952) 941-4005

Milberg Coleman Bryson
Phillips Grossman, PLLC
1420 Fifth Ave, Suite 2200
Seattle, WA 98101

1 166. The replacement plywood is currently growing mold.

2 167. The McDermotts' floors remain in disrepair and Pathlight's contractor has
3 been, and continues to reschedule the service appointment.

4 168. The McDermotts attempted to negotiate a rent credit with Pathlight due to
5 their inability to use multiple rooms in the house, as well as their concerns with health
6 hazards associated with mold.

7 169. Pathlight told the McDermotts they would negotiate once the work was
8 completed.

9 170. Because a tremendous length of time has passed since the issue was first
10 discovered, and the McDermotts' inability to use multiple rooms in the home, the
11 McDermotts considered hiring a contractor of their own to complete the work on the
12 house, but have not yet done so.

13 171. The McDermotts estimate they have spent over 25 hours over the phone
14 with Pathlight representatives and days taken off work to meet with the multiple,
15 different contractors Pathlight sent to handle the black mold issue.

16 172. Each contractor who reported to the McDermotts' home was unaware of
17 the extent of the damage.

18 173. A contractor visited the home on May 20, 2022 with a work order indicating
19 mere "discoloration" within the structural components of the home.

20 174. In April 2022, Pathlight sent the McDermotts an agreement to renew the
21 lease with a \$300 increase in monthly rent.

22 175. Due to the tremendous demand in the rental market in the Tacoma,
23 Washington area, and their desire to keep their children in the same school district, the
24 McDermotts felt they have had no choice but to continue renting through Defendants.

V. Numerous tenants nationwide complain

176. Plaintiffs are not alone.

177. Across the country, numerous complaints have been lodged against either Home Partners or Pathlight through social media such as LinkedIn or Facebook, through the Better Business Bureau, or in conciliation or housing court litigation, for their failure to return security deposits owed, or to keep their properties in reasonable repair.

178. As reported by numerous tenants, Defendants often ignore tenant repair requests or wait an inordinately long time before addressing the repair.

179. For example, the Better Business Bureau contains the following litany of recent complaints:

MB

1 star

12/15/2021

BEWARE, SAFETY HAZARDS. To start, we found an electrical box on the outside wall of our home with open wires touching insulation. Later, our home flooded from the floor of the second story and ceiling of the first story during freezing winter storms. The flood damaged the kitchen and dining room ceilings, kitchen cabinets, trim, drawers, and three different types of flooring (wood, tile, and carpet) in the kitchen, dining area, and living room. Pathlight's homeowners insurance should have covered this per the lease agreement yet I don't even think Pathlight filed a homeowners insurance claim. It took two weeks for the plumbing to be fixed and we were not compensated for staying at a hotel. Despite contacting Pathlight repeatedly and putting in work orders for ALL the damages, it took 4-5 months for them to replace the carpet

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Seattle, WA 98101

1 alone. When they pulled up the pad it was covered in mold. We had told them for
 2 months we were living in a moldy, water damaged home and they did not care!! More
 3 safety hazards. In the end, they didn't repair half of the damages from the flood.
 4 Pathlight Property Management did not uphold their end of the terms of our lease
 5 agreement. To add insult to injury, we never received our \$1,995 deposit back despite
 6 reaching out to try and receive it. If I could give Pathlight 0 stars, I would!!

7 Paula F

8
 9 1 star

10 12/07/2021

11
 12 One star is even too much for this company. I am a professional and work 10-12
 13 hours a day as does my husband. We choose a rental through this company because
 14 they were offering option to buy, however- it has been a nightmare and we have only
 15 been in our house for two months. These people are impossible to get ahold of, when
 16 you call you are on hold for 20 minutes to an hour then you get someone who cannot
 17 help you and say they are transferring you to someone who can and you are on hold
 18 another 20 minutes then get hung up on. I had a horrible pool company where they
 19 were not even maintaining my pool, they were just checking the water, I sent this video
 20 to Pathlight who sent me an addendum after several phone calls and emails to maintain
 21 my own pool. I hired a reliable pool company and who comes on Monday? The creepy
 22 pool guy from pathlights company to check my water and take a picture of my house!
 23 "all of this on video" I was charged 100.00 for a pool maintenance fee which I should not
 24 pay as my pool was not maintenance! I also was charged a 13.00 liability charge the

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1 second month but I have my own liability insurance and have proven that to them. I get
2 an email stating it was a mistake then the next day I get an email telling me I own it! Do
3 not,,,, I repeat ... I am warning you! I looked over all the red flags and did it anyway, do
4 not rent from these people! If it looks too good to be true believe it!!! I am currently on
5 hold the second time for ten minutes now waiting for the people who "can really help
6 me" trust me this will not happen! I am going to the better business bureau and any
7 social media outlet that I can this is a horrible horrible company!

8 Frank K

9
10 1 star

11 12/06/2021
12

13 I moved out, left the property in great shape. The dishwasher worked the whole
14 time I was in the property. They said it wouldn't start, they had no proof of it not
15 working but they replaced the dishwasher without having a repairman come out. They
16 charged me \$750 without contacting me. They will not return emails or have any one
17 return calls. They are very unprofessional. Very disappointed with this company
18 ripping me off.

19 Complaint Type: Problems with Product/Service
20

21 Status: Answered

22 12/20/2021
23
24

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1 I used this company as a rent to own or rent with a right to purchase but had to
 2 end/term lease early due to domestic violence. This company uses a property
 3 management company called ***** who is wrongfully withholding
 4 my security deposit. Based on ***** laws they have 21 days to return my deposit to
 5 me have not done so, the property mgmt company has also not reached out or notified
 6 me in any way. I submitted a complaint against ***** mgmt as well
 7 078942dd-61cc-11ec-a163-0e63a05a1194.

8 180. These are not isolated complaints.

9 181. Hundreds of these complaints exist.

10 182. Indeed, a private Facebook group called “Home Partners of America—
 11 Company of Stolen Dreams” contains over 1,500 members.

12 183. Only Defendants, however, are aware of the total number of complaints
 13 lodged against them, including through Pathlight’s online portal and 800-number.

14 184. Defendants’ advertising that they will quickly make repairs and be
 15 available 24/7 misrepresents the service Defendants actually provide.

16 185. In reality, Defendants sometimes never make requested repairs or make
 17 insufficient repairs.

18 186. This court was recently faced with a similar action between Defendants and
 19 their tenants in *Norwood v. HPA Borrower 2018-1 LLC*, No. C21-5843JLR, 2021 WL 5630961
 20 (W.D. Wash. Dec. 1, 2021). In *Norwood*, the plaintiffs entered into a lease agreement with
 21 Defendants and reported multiple instances of roof leakage, mold, ceiling damage,
 22 insulation damage and plumbing issues that Defendants failed to remedy.

23 187. These substandard living conditions and resulting health issues forced
 24 plaintiffs to vacate their home.

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CLASS ACTION ALLEGATIONS

188. Plaintiffs bring this action pursuant to Federal Rule of Civil Procedure 23 and seeks to represent a class of:

All persons who entered into a rental agreement with Defendants in Washington since January 2014 to the present.

189. The requirements for class certification under Federal Rule of Civil Procedure 23 are met as follows:

a. Plaintiffs are informed and believe, and on that basis allege, that between January 2014 and the present (the “Class Period,”) there are thousands of persons who have entered into rental agreements with Home Partners. As such, the members of the Class are so numerous that joinder of all members in one proceeding would be impracticable.

b. There are common questions of law and fact common to the Class, including without limitation:

i. Whether Defendants’ contracts of adhesion illegally disclaim the covenants of habitability and violate Washington’s RLTA;

ii. Whether Defendants’ lease provisions mislead;

iii. Whether Defendants illegally required tenants to obtain insurance to cover damage to Defendants’ property;

iv. Whether Defendants have failed to return security deposits in full compliance with the law;

v. Whether Defendants misrepresented the nature of their services through advertising with the intent to induce persons to sign their contracts of adhesion;

1 vi. Whether Defendants' illegal and unenforceable lease provisions are unfair
2 or deceptive trade practices under Wash. Rev. Code § 19.86, *et seq.*; and

3 vii. Whether the members of the Class are entitled to damages and equitable
4 relief, including injunctive and monetary relief.

5 c. The claims of the Plaintiffs are typical of the claims of the members of the
6 Class, who entered into rental agreements with Defendants and are now contractually
7 bound to the misleading and unlawful terms of those agreements that breach the
8 covenants of habitability and severely limit any recourse available to Plaintiffs and all
9 members of the Class.

10 d. The Plaintiffs will fairly and adequately represent the members of the Class
11 and have retained counsel who are competent and experienced in class action and
12 complex litigation.

13 190. The requirements of Rule 23(b)(2) are met as described below in Plaintiffs'
14 request for injunctive relief.

15 191. The requirements of Rule 23(b)(3) are met in that:

16 a. The questions of law common to the members of the Class predominate
17 over any questions affecting only individual members.

18 b. A class action is superior to other methods for the fair and efficient
19 adjudication of this controversy. Because the damages suffered by many individual
20 members of the Class may be relatively small in relation to the costs of litigation, the
21 expense and burden of individual litigation make it difficult, if not impossible, for
22 members of the Class to redress the wrongs done to them individually. Furthermore,
23 many of the members of the Class may be unaware that claims exist against Defendants.
24

c. Plaintiffs know of no difficulty that will be encountered in the management of this litigation that would preclude its maintenance as a class action. The names and addresses of the members of the Class are available from Defendants. Notice will be provided to the members of the Class via first class mail and/or by the use of techniques and a form of notice similar to those customarily used in class actions.

COUNT I

VIOLATION OF WASHINGTON RESIDENTIAL LANDLORD- TENANT ACT, WASH. REV. CODE § 59.18

192. Plaintiffs re-allege all prior paragraphs of this First Amended Complaint.

193. Washington's Residential Landlord Tenant Act (RLTA), Wash. Rev. Code §§ 59.18, et. seq., "in addition to pursuit of remedies otherwise provided him or her by law[,]” preserves certain tenant remedies by allowing a tenant to notify the landlord of its failure to carry out duties required by Wash. Rev. Code § 59.18.060 or by the rental agreement. Wash. Rev. Code § 59.18.070.

194. Defendants have violated various provisions of Wash. Rev. Code §§ 59.18, et seq., by failing to maintain the rented premises in a safe, habitable, and compliant condition.

195. Defendants have failed to carry out duties pursuant to Wash. Rev. Code § 59.18.060, including, but not limited to:

a. Failing to maintain the premises to substantially comply with any applicable code, statute, ordinance or regulation governing their maintenance or operation in violation of § 59.18.060(1);

1 b. Failing to maintain the structural components of the properties, including
2 roofs, floors, walls, chimneys, fireplaces and foundations in “reasonably good repair so
3 as to be usable” in violation of § 59.18.060(2);

4 c. Failing to make repairs and arrangements necessary to put and keep the
5 premises in as good condition as it by law or rental agreement should have been, at the
6 commencement of the tenancy, in violation of § 59.18.060(5);

7 d. Failing to maintain electrical, plumbing, heating, and other facilities and
8 appliances supplied by Defendants in reasonably good working order in violation of §
9 59.18.060(8);

10 e. Failing to maintain the dwelling unit in reasonably weathertight condition
11 in violation of § 59.18.060(9); and

12 f. Failing to provide facilities adequate to supply heat and water and hot
13 water as reasonably required by the tenant in violation of § 59.18.060(11).

14 196. Pursuant to Wash. Rev. Code § 59.18.115(2)(a), Defendants have failed to
15 fulfill substantial obligations that substantially endanger and impair the health and safety
16 of their tenants, including, but not limited to:

- 17 a. Exposure of the occupants to the weather;
- 18 b. Plumbing and sanitation defects;
- 19 c. Lack of water;
- 20 d. Heating or ventilation systems that are not functional;
- 21 e. Hazardous electrical systems; and
- 22 f. Defective or inadequate exits.

23 197. Plaintiffs have fully performed all obligations as tenants in accordance with
24 Washington State law and properly notified Defendants of defective conditions that

1 deprive them of basic human needs pursuant to Wash. Rev. Code § 59.18.070 and §
2 59.18.115.

3 198. Defendants have failed to remedy defective conditions pursuant to the
4 timelines prescribed by Wash. Rev. Code § 59.18.070.

5 199. Under the RLTA, "Rent ... means recurring and periodic charges identified
6 in the rental agreement for the use and occupancy of the premises, which may include
7 charges for utilities. Except ... [Rent] do[es] not include nonrecurring charges for costs
8 incurred due to late payment, damages, deposits, legal costs, or other fees, including
9 attorneys' fees." Wash. Rev. Code § 59.18.030.

10 200. Under the RLTA, a landlord may only charge late fees on "rent" that is more
11 than five days past due. Wash. Rev. Code § 59.18.170(2).

12 201. Defendants have violated the RLTA by charging late fees on the cumulative
13 balance, including amounts not authorized by the RLTA.

14 202. Defendants have unlawfully retained portions of Plaintiffs security deposit
15 in violation of Wash. Rev. Code § 59.18.280.

16 203. Defendants, through their conduct, are liable for causing economic and
17 noneconomic damages to Plaintiffs and Class Members in an amount to be proven at trial.

18 204. As a result of Defendants' conduct, Plaintiffs and Class Members are
19 entitled to recover costs and attorney fees incurred in bringing this action and any other
20 relief the court deems just and proper under Wash. Rev. Code §§ 59.18 et seq.

21 22 **COUNT II**

23 **BREACH OF DUTY OF GOOD FAITH AND FAIR DEALING**

24 205. Plaintiffs re-allege all prior paragraphs of this First Amended Complaint.

206. Defendants' residential leases contain a contractual duty of good faith and fair dealing that includes, but is not limited to, maintaining their rental properties in accordance with the Covenants of Habitability.

207. In addition, Defendants are required to respond to Plaintiffs' maintenance requests and not unduly hinder Plaintiffs' ability to receive timely repairs.

208. Defendants' actions and uniform course of conduct, including, but not limited to their constructive refusal to make even basic repairs or to unduly delay repairs, breach their contractual duty of good faith and fair dealing and unjustifiably hinder Plaintiffs' performance under the contracts.

209. Defendants have acted in bad faith by refusing to perform their contractual duties, effectively foisting the burden of maintaining their homes onto their Tenants in order to generate more revenue and cut their own costs.

210. Plaintiffs have not impeded Defendants from performing their obligations under their lease agreements in any way.

211. Defendants' actions caused Plaintiffs injury and damages, entitling Plaintiffs to the categories of remedies discussed herein.

COUNT III

BREACH OF WASHINGTON CONSUMER PROTECTION ACT,

WASH. REV. CODE § 19.86

212. Plaintiffs re-allege all prior paragraphs of this First Amended Complaint.

213. Defendants tack on and charge unlawful fees including, without limitation, a monthly UBSF of \$9.95 and HVAC filter Fee.

214. Defendants' imposition of the monthly UBSF, among other extraneous fees, is not authorized or governed by the RLTA and thus the RLTA does not provide the

1 exclusive vehicle for Plaintiffs rights and remedies related to this unlawful fee. *See Lewis*
 2 *v. Zanco*, 16 Wash. App. 2d 819, 483 P.3d 836, *review denied*, 198 Wash. 2d 1004, 493 P.3d
 3 736 (2021)

4 215. Defendants' imposition of the UBSF, among others, is a trade practice,
 5 occurred in the conduct of trade or commerce, and common to all Washington leases.

6 216. Defendants' imposition of the UBSF and other fees, affects the public
 7 interest in that all Washington tenants of Defendants are subject to the same unfair or
 8 deceptive conduct.

9 217. Defendants' imposition of the UBSF and other fees is both unfair and also a
 10 deceptive trade practice that has resulted in harm to Plaintiffs.

11 218. Plaintiffs have been injured and shall continue to be injured due to the
 12 monthly assessment of the UBSF and other fees.

13 219. Upon belief, Defendants have required thousands of Washington tenants
 14 to pay both monthly and other fees not authorized by the RLTA.

15 220. As a result of Defendants' conduct, Plaintiffs and Class Members are
 16 entitled to recover costs and attorney fees incurred in bringing this action and any other
 17 relief the court deems just and proper under Wash. Rev. Code § 19.86 *et seq.*

18 **COUNT IV**

19 **DECLARATORY RELIEF**

20 221. Plaintiffs re-allege all prior paragraphs of this First Amended Complaint.

21 222. An actual controversy has arisen between Plaintiffs and the Proposed Class
 22 on one hand, and Defendant on the other hand, relating to the following matters:

23 a. Whether Defendants have unlawfully failed to maintain the homes rented
 24 by Plaintiffs and the Proposed Class.

d. Whether the provisions of Defendants' form leases breach the Covenants of Habitability and illegally thrust the burden of repair onto to tenants.

223. Plaintiffs and the Proposed Class further seek entry of declaratory judgment in their favor which declares Defendants' practices as unlawful, and which provides for recovery of sums determined by this Court to be owed by Defendants to the Plaintiffs and Proposed Class.

INJUNCTIVE RELIEF

225. Defendants will continue their illegal practices and unlawfully deny their tenants the Covenants of Habitability.

226. Plaintiffs and the Proposed Class have been injured and damaged, and are threatened with injury and damage, by Defendants' continued, unlawful refusal to maintain the homes Defendants themselves own, as well as through Defendants' continued use of misleading, unconscionable lease agreements, and Plaintiffs and the Proposed Class have no adequate remedy at law.

1 entities, subsidiaries, and all other persons acting in concert or participation with them,
2 from engaging in unfair or deceptive practices and making false or misleading statements
3 in violation of Wash. Rev. Code § 19.86.090;

4 3. Enjoining Defendants and their employees, officers, directors, agents,
5 successors, assignees, affiliates, merged or acquired predecessors, parents or controlling
6 entities, subsidiaries, and all other persons acting in concert or participation with them,
7 from waiving or modifying the Covenants of Habitability in violation of Wash. Rev. Code
8 59.18.230;

9 4. Awarding judgment against Defendants for rescission, restitution and
10 disgorgement under the general equitable powers of this Court, and any other authority,
11 for all persons injured by Defendants' acts as described in this Complaint;

12 5. Awarding Plaintiffs their costs and attorneys' fees, as permitted by the
13 Court and as authorized by Wash. Rev. Code § 19.86.020; Wash. Rev. Code § 59.18.010;

14 6. Awarding treble damages pursuant to Wash. Rev. Code § 19.86.090.

15 7. Awarding Prejudgment interest; and

16 8. Granting such further relief as provided by law or equity or as the Court
17 deems appropriate and just.

Respectfully submitted,

Date: December 27, 2022.

MILBERG COLEMAN BRYSON

PHILLIPS GROSSMAN, PLLC

/s/ Scott C. Harris

Scott C. Harris (*admitted pro hac vice*)

Milberg Coleman Bryson Phillips

Grossman, PLLC

900 W. Morgan Street

Raleigh, North Carolina 27603

Tel: (919) 600-5000

Email: sharris@milberg.com

/s/ Anne T. Regan

Anne T. Regan (*admitted pro hac vice*)

Lindsey L. Larson (*admitted pro hac vice*)

Hellmuth & Johnson, PLLC

8050 West 78th Street

Edina, Minnesota 55439

Tel: (952) 941-4005

Email: aregan@hjlawfirm.com

Email: llabellelarson@hjlawfirm.com

/s/ Andrew Lemmon

Andrew Lemmon

Milberg Coleman Bryson Phillips

Grossman, PLLC

1420 Fifth Ave, Suite 2200

Seattle, WA 98101

Email: alemmon@milberg.com

/s/ Susan E. Ellingstad

Susan E. Ellingstad (*admitted pro hac vice*)

Joseph C. Bourne (*admitted pro hac vice*)

Cate D. Crowe (*admitted pro hac vice*)

Lockridge Grindal Nauen, P.L.L.P.

100 South Washington Ave, Ste 2200

Minneapolis, MN 55401

ATTORNEYS FOR PLAINTIFFS

First Amended Complaint - 40

Hellmuth & Johnson, PLLC

8050 West 78th Street

Edina, MN 55439

(952) 941-4005

Milberg Coleman Bryson

Phillips Grossman, PLLC

1420 Fifth Ave, Suite 2200

Seattle, WA 98101